

EXHIBIT E

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

-----X
: UNITED STATES OF AMERICA, : 05-M-937
: :
: v. : May 27, 2005
: :
: ALBERTO VILAR, : 500 Pearl Street
: : New York, New York
: Defendant. :
: :
-----X

TRANSCRIPT OF CRIMINAL CAUSE FOR DETENTION HEARING
BEFORE THE HONORABLE HENRY B. PITMAN
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

For the Government: DAVID ESSEKS, ESQ.

For the Defendant: SUSAN NECHELES, ESQ.

Court Transcriber: SHARI RIEMER
TypeWrite Word Processing Service
356 Eltingville Boulevard
Staten Island, New York 10312

Proceedings recorded by electronic sound recording,
transcript produced by transcription service

1 What we ask for now, Your Honor, is the
2 continuance that is contemplated in the statute to get us
3 the ability to provide the Court with more information to
4 make a judgment.

5 THE COURT: All right. Let me -- how long has the
6 investigation been going on?

7 MR. ESSEKS: Just a couple of weeks, Your Honor.

8 THE COURT: But can you be a little more specific?
9 I'm not asking you for a precise date, but I mean are we
10 talking about an investigation that's been going on for 10
11 weeks, six weeks, two weeks, 16 weeks, 20 weeks?

12 MR. ESSEKS: Your Honor, it's -- I stand
13 corrected. It is more than a month. I think it's less than
14 three months. Somewhere in that range and it's been
15 accelerating as we've been finding more information. And we
16 are now -- most importantly, Your Honor, we're at a point
17 where there are, as the Court knows, certain things that we
18 can do, records that we can obtain without sounding any
19 alarm bells and we
20 did -- we took those various steps. Now that we have
21 searched the offices and we are -- and our interest in Mr.
22 Vilar and his partner are no longer secret, we can do
23 interviews and examine documents that will shed a great deal
24 of light, we hope, on the extent of the problem.

25 It's bad enough -- Your Honor, we're hoping that

1 it's not worse, but we have reason to believe that it is --
2 that it may well be worse than what is set forth in the
3 complaint and we need the time that is contemplated in the
4 statute to evaluate the situation and give the Court the
5 information that it needs to make a proper judgment.

6 THE COURT: What's the volume of the material that
7 you recovered in the search yesterday approximately?

8 MR. ESSEKS: The search, Your Honor, is around
9 about 100 boxes and there is information being gathered, if
10 I understand, out of the office in
11 London -- the Amerindo office in London and I think also the
12 information is being gathered out of the Amerindo office in
13 San Francisco. There's a lot of information here.

14 THE COURT: Has a warrant been issued in San
15 Francisco?

16 MR. ESSEKS: No, Your Honor. I believe that the
17 regulators --

18 THE COURT: I see.

19 MR. ESSEKS: -- because it's a registered
20 investment advisor --

21 THE COURT: I see.

22 MR. ESSEKS: -- are exercising their powers to do
23 examinations within their own discretion. But we are in
24 touch with them to learn what it is that they are
25 discovering and their -- that is ongoing, as I understand.